

Message Text

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ACTION EB-07

INFO OCT-01 ARA-06 ISO-00 FEA-01 ERDA-05 AID-05 CEA-01

CIAE-00 CIEP-01 COME-00 DODE-00 FPC-01 H-02 INR-07

INT-05 L-03 NSAE-00 NSC-05 OMB-01 PM-03 USIA-06

SAM-01 OES-03 SP-02 SS-15 STR-04 TRSE-00 FRB-03 PA-01

PRS-01 IO-10 AGR-05 OPIC-03 AF-06 EA-06 EUR-12 NEA-10

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P R 031900Z JUN 75

FM AMEMBASSY GEORGETOWN

TO SECSTATE WASHDC PRIORITY 1284

INFO AMEMBASSY PORT OF SPAIN

AMEMBASSY KINGSTON

AMEMBASSY CARACAS

AMEMBASSY BRIDGETOWN

C O N F I D E N T I A L GEORGETOWN 0820

E.O. 11652: GDS

TAGS: EFIN, ENRG, GY

SUBJECT: RESUMING PRODUCER/CONSUMER DIALOGUE

REFS: A) STATE 124719 (124619?); B) STATE 126216

SUMMARY: PM BURNHAM SAYS GUYANA WELCOMES USG INITIATIVE, AGREES ON AVOIDING CONFRONTATION. SUBJECT RESULTS OF CONSULTATION WITH NON-ALOGNED, GROUP 77, AND COMMONWEALTH PARTNERS, BURNHAM TENTATIVELY GAVE FOLLOWING OBSERVATIONS ON USG PROPOSALS; A) LDC REPRESENTATION ON PREPCON SHOULD BE BROADENED; B) PROPOSED COMMISSIONS ON MSA'S AND RAW MATERIALS SHOULD HAVE MORE THAN MONITORING ROLE; C) GUYANA, WHILE NOT PRESSING FOR INDEXATION, BELIEVES SUBJECT SHOULD BE EXAMINED FULLY; D) STRUCTURE OF IFI'S NEEDS THOROUGH REVIEW, ESPECIALLY BASIS OF VOTING AND REPRESENTATION; E) GUYANA WILL PRESS FOR REFORM OF ECOSOC; F) GUYANA NOT SOLD ON JOINT PRODUCER/CON-

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SUMER COMMODITY GROUPS. END SUMMARY.

1. I DECIDED TO USE MY UPCOMING CONSULTATION IN WASHINGTON, PLUS ABSENCE FROM GEORGETOWN OF BOTH FONMIN RAMPHAL AND HIS REPLACEMENT FRED WILLS, AS PEG FOR SEEKING MEETING WITH PM BURNHAM TO CARRY OUT INSTRUCTIONS CONTAINED REFTELS. WE HAD ALREADY PREPARED AIDE MEMOIRE BASED ON REFTEL A, WHICH WE ARRANGED TO HAVE DELIVERED TO PM VIA FONOFFICE IN ADVANCE OF APPOINTMENT WITH PM JUNE 2. TEXT OF SECRETARY KISSINGER'S IEA AND OECD SPEECHES DELIVERED TO PM THROUGH SAME CHANNEL. BURNHAM RECEIVED ME AFTER-NOON JUNE 2 AT HIS BELFIELD COUNTRY RESIDENCE FOR 45 MINUTES WITH FOLLOW-UP SESSION MORNING JUNE 3 AT GEORGETOWN RESIDENCE.

2. FONMIN RAMPHAL RETURNED TO GEORGETOWN OVER WEEKEND AND WAS CLOSETED WITH BURNHAM UPON MY ARRIVAL AT BELFIELD. WHEN THEY EMERGED, RAMPHAL SHOWED HE UNDERSTOOD PERFECTLY THE MOTIVATION FOR MY MEETING WITH BURNHAM AND I THEN MET ALONE WITH BURNHAM.

3. BURNHAM CLAIMED ONLY TO HAVE READ CURSORILY THE AIDE MEMOIRE AND SPEECHES, BUT HE AT ONCE TICKED OFF HIS REACTIONS TO POINTS MADE IN OUR AIDE MEMOIRE. IN THE FIRST PLACE HE SAID HE WOULD GIVE ME IMMEDIATE AND TENTATIVE REACTION TO USG INITIATIVE BUT WOULD RESERVE DEFINITIVE POSITION PENDING CONSULTATION WITH GUYANA'S PARTNERS IN NON-ALIGNED MOVEMENT (N.A.M.), GROUP OF 77 AND COMMONWEALTH. ON THE WHOLE HE SAID GUYANA FINDS OUR PROPOSALS A WELCOME INDICATION OF MOVEMENT ON PART OF USG AND AGREES WHOLEHEARTEDLY THAT EVERY EFFORT SHOULD BE MADE TO AVOID CONFRONTATION IN DEALING WITH THE ISSUES INVOLVED BETWEEN DEVELOPING AND DEVELOPED COUNTRIES. HE SAID IN SPIRIT OF FRANKNESS WHICH MUST CHARACTERIZE ANY DIALOGUE HE WOULD SPELL OUT FOR ME SOME OF HIS INITIAL OBSERVATIONS OR RESERVATIONS ON SPECIFIC ELEMENTS OF USG OUTLINE.

4. REGARDING MAKE-UP OF PREPCON, BURNHAM SAID HE THOUGHT LDC REPRESENTATION SHOULD BE BROADENED. HE HAD NO OBJECTION TO BRAZIL, INDIA OR ZAIRE, BUT HE OBSERVED THAT, FOR EXAMPLE, INDIA'S SIZE AND EVOLVING EFFORT TO DEVELOP SPECIAL RELATIONSHIP WITH IRAN AND IRAQ MADE IT SOMEWHAT ATYPICAL LDC. ALSO HE REMARKED THAT SOME PEOPLE QUESTION WHETHER BRAZIL SHOULD STILL BE CLASSED AS LDC. AS EXAMPLES OF COUNTRIES HE FELT MIGHT BETTER REPRESENT THE MAJORITY

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OF LDC'S HE CITED BANGLADESH AND TANZANIA. HE ALSO ASKED HOW SOON PREPCON MIGHT BE RECONVENED AND WHO WAS TAKING LEAD ON BRINGING THIS ABOUT. I SAID THE PHRASE QUOTE WITHIN NEXT MONTHS UNQUOTE APPARENTLY INDICATED USG WISHED TO COMPLETE ROUND OF CONSULTATIONS WITH KEY LDC'S SUCH AS GUYANA, AFTER WHICH WE WOULD PRESUMABLY SIT DOWN WITH ORIGINAL CONVENERS OF PREPCON TO WORK OUT FINAL DETAILS.

5. TURNING TO THE THREE PROPOSED COMMISSIONS, BURNHAM SAID WITH ALL RESPECT TO OUR OBSERVATION THAT MATTERS ASSIGNED TO PURVIEW OF COMMISSIONS ON MSA'A AND RAW MATERIALS WERE ALREADY BEING DEALT WITH IN OTHER BODIES AND THESE TWO COMMISSIONS SHOULD THEREFORE HAVE PRIMARILY MONITORING ROLE, HE FELT LDC'S WOULD WISH TO SEE THESE TWO COMMISSIONS HAVE A MORE DEFINITIVE ROLE.

6. ON BASIC ISSUES TO BE DEALT WITH, BURNHAM NOTED THAT THE FORMULATION ON RAW MATERIALS MERELY SPEAKS OF QUOTE TERMS OF TRADE UNQUOTE. HE SAID IN THIS CONNECTION THE ISSUE OF INDEXATION WOULD UNDOUBTEDLY ARISE SINCE IT HAD ALREADY BEEN PUT FORWARD AT COMMONWEALTH MEETING IN JAMAICA. GUYANA, HE WENT ON, WHILE NOT PRESSING FOR INDEXATION, HAS ACCEPTED THE POSITION OF ITS PROPONENTS AND BELIEVES RATHER FIRMLY THE SUBJECT SHOULD BE EXAMINED FULLY. IN SAME CONTEXT, BURNHAM SAID GUYANA WAS NOT SOLD ON HAVING JOINT PRODUCERS/ CONSUMERS GROUPS FOR NEGOTIATIONS ON COMMODITIES. CONSUMERS HE SAID ARE STILL MUCH TOO STRONG.

7. WHEN BURNHAM HAD CONCLUDED HIS INITIAL STATEMENT, I SAID THERE WERE SOME ADDITIONAL POINTS THAT I HAD BEEN INSTRUCTED TO MAKE ORALLY AND WITH HIS CONSENT I PROCEEDED TO COVER MATERIAL CONTAINED IN REFTEL

B. BURNHAM BROKE IN AT SEVERAL POINTS EITHER TO INDICATE HIS APPROVAL OR TO ENTER RESERVATIONS. AMONG THE POINTS WHICH APPEALED TO HIM WERE THE IDEA THAT EXPANSION OF WORLD ECONOMY IS A SINE QUANON TO BETTER LDC-DC RELATIONSHIPS, THAT DC'S TACS SPECIAL RESPONSIBILITY AND OPPORTUNITY FOR LONG-TERM INCREASE IN WORLD FOOD PRODUCTION CAPACITY, AND MEASURES FOR SUBSTANTIALLY INCREASING BOTH FINANCIAL AND TECHNICAL ASSISTANCE FOR EXPANDING FOOD AND RAW MATERIALS PRODUCTION.

8. SEVERAL REFERENCES TO SPECIFIC MEASURES INVOLVING IBRD
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ANDIMF LED TO GENERAL OBSERVATION BY BURNHAM THAT ALONG WITH OTHER LDC LEADERS HE SEES URGENT NEED FOR STRUCTURAL REFORM OF THE IFI'S. HE WOULD LIKE TO SEE DEVELOPED A DIFFERENT BASIS FOR VOTING AND REPRESENTATION ON GOVERNING BODIES THAN THE PRESENT QUOTE SHARE-HOLDER UNQUOTE BASIS. HE ADDED THAT GUYANA WILL PRESS HARD FOR A FUNDAMENTAL REFORM OF ECOSOC ALONG LINES OF RESOLUTION ADOPTED AT RECENT IA-ECOSOC. HE BELIEVES ECOSOC SHOULD BE ACCORDED A ROLE SIMILAR TO THAT OF THE SECURITY COUNCIL BUT WITHOUT THE VETO.

9. AT OUR FOLLOW-UP MEETING THIS MORNING, BURNHAM WAS AS RELAXED AND FORTHCOMING AS HE HAD BEEN THE PREVIOUS AFTERNOON. HE SAID HE HOPED TO BE ABLE TO GIVE ME A MORE DEFINITIVE READING IN ABOUT TWO OR THREE WEEKS AND SAID HE WAS STILL UNCLEAR AS TO HOW MATTERS WOULD PROCEED FROM HERE ON. I SAID IT WAS MY HOPE TO BE ABLE TO

CONVEY HIS IDEAS FIRST HAND URING MY CONSULTATION IN WASHINGTON
AND ASSURED HIM THAT I INTERPRETED MY INSTRUCTIONS TO INDICATE
THAT OUR PROPOSALS WERE INTENDED TO BE FLEXIBLE AND THAT THIS
COULD NOT BE OTHERWISE IF GENUINE DIALOGUE IS TO TAKE PLACE.
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